

## (EMERGENCY) (New Draft of H.P. 268, L.D. 351) (New Title) FIRST REGULAR SESSION

## ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

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11 12 NO. 1509

H.P. 1115 House of Representatives, May 11, 1987 Reported by Representative SWAZEY from the Committee on Taxation and printed under Joint Rule 2.

EDWIN H. PERT, Clerk Original bill sponsored by Representative KETOVER of Portland. Cosponsored by Senators BRANNIGAN of Cumberland and TWITCHELL of Oxford.

## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-SEVEN

Resolve, Establishing the Special Commission to Study the Use of State Valuation in Allocation of State Funding Among Municipalities.

**Emergency preamble.** Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, land values are increasing at a very fast rate in some parts of the State, thereby increasing the state valuation of the areas; and

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Whereas, increased state valuation results in a
lower share of state funds allocated to the areas;
and

4 Whereas, funds are allocated on the basis of 5 state valuation and not the municipality's ability to 6 pay; and

7 Whereas, the increased valuation and reduced 8 funds often lead to the necessity of increasing taxes 9 to make up the loss of state funds; and

10 Whereas, for these and other reasons, the method 11 of allocating state funds among municipalities needs 12 to be studied and adjusted to correct unfairness and 13 inefficiencies as soon as possible; and

14 Whereas, in the judgment of the Legislature, 15 these facts create an emergency within the meaning of 16 the Constitution of Maine and require the following 17 legislation as immediately necessary for the preser-18 vation of the public peace, health and safety; now, 19 therefore, be it

20 **Commission established. Resolved:** That there is 21 established the Special Commission to Study the Use 22 of Valuation in Allocation of State Funding Among Mu-23 nicipalities, consisting of 11 members; and be it 24 further

25 Appointment. Resolved: That 7 members of the commission shall be Legislators of whom 4 shall be 26 members of the Joint Standing Committee on Taxation and 3 shall be members of the Joint Standing Commit-27 28 29 on Education. The President of the Senate shall tee 30 appoint 3 of the legislative members and the Speaker 31 of the House shall appoint 4 of the legislative mem-32. Both parties shall be represented by legislabers. 33 tive members. The Governor shall appoint the remain-34 4 members who shall be familiar with educational ing finance and state-municipal revenue sharing, one of 35 36 whom shall be the Commissioner of Educational and 37 Cultural Services or his designee; one of whom shall be the State Tax Assessor or his designee; one of whom shall be selected from a list of nominees sub-38 39 40 mitted by the Maine Municipal Association; and one of 41 whom shall be selected from a list of nominees sub-

> out the purposes of this resolv Page 2-LR2489

mitted by the Maine School Management Association. The Governor shall notify the presiding officers and the Executive Director of the Legislative Council when the 4 gubernatorial appointments are made. Legislative members shall not be disqualified for discontinuance of legislative service. Vacancies may be filled with qualified appointees by the appointing authority. Appointments shall be made by June 1, 1987; and be it further

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Scope of authority. Resolved: That the commission shall examine the current use of state valuation ability to pay under the School to determine local Finance Act of 1985, Maine Revised Statutes, Title 20-A, chapter 606 and the state municipal revenue sharing laws, Title 30, section 5055. The commission shall consider alternatives to state, valuation for determination of local ability to pay in the alloca-tion of state funding among municipalities under these programs; and be it further

Reporting deadline. Resolved: That the commission shall report its findings and recommendations to the Second Regular Session of the 113th Legislature no later than February 15, 1988; and be it further

**Convening.** Resolved: That the Chairman of the Legislative Council shall convene the first meeting of the commission within 30 days of appointment of the 11 members; and be it further

28 Chairman. Resolved. That the members of the 29 commission shall select a chairman from among the 30 members; and be it further

31 Staff. Resolved: That staff shall be requested 32 from the Legislative Council, the Bureau of Taxation 33 and the Department of Educational and Cultural Ser-34 vices; and be it further

35 Compensation. Resolved: That the legislative 36 members shall receive the legislative per diem. All 37 members, except those who are state employees, shall 38 receive reimbursement for expenses; and be it further

39 Appropriation. Resolved: That the following 40 funds are appropriated from the General Fund to carry 41 out the purposes of this resolve.

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## LEGISLATURE

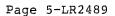
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3 4 5 6 7	Special Commission to Study the Use of State Valuation in Alloca- tion of State Funding Among Municipalities	
8	All Other \$6,375	
9 10 11 12 13 14 15 16 17 18 19 20	Funds include \$1,925 for com- pensation for 7 Legislators and 5 meetings; \$2,250 for other member expenses; \$1,900 for reports and miscellaneous matters; and \$300 for public hear- ings.	
21 22 23	<b>Emergency clause.</b> In view of the emergency cited in the preamble, this resolve shall take effect when approved.	
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24	STATEMENT OF FACT	
25 26 27 28 29 30 31 32 33 34	This new draft creates a special study commission through a resolve to study the issue the original bill addressed. The Special Commission to Study the Use of State Valuation in Allocation of State Funding Among Municipalities will consist of 11 members ap- pointed by the President of the Senate, the Speaker of the House and the Governor. Both parties will be represented. The commission will report to the Sec- ond Regular Session of the 113th Legislature no later than February 15, 1988.	
35 36 37	The purposes of the special commission are to ex- amine the appropriate use of "state valuation" in calculating allocation of the School Finance Act of	

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1985 reimbursements and state municipal revenue sharing receipts and to consider alternative measures of local ability to pay for these programs.

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